

**PRIVACY NOTICE**

All social security numbers are requested by this agency in accordance with the requirements of the Internal Revenue Code. Disclosure is mandatory and this form will not be processed without this information.

Public Safety Officer Authorization for Insurance Premium Deduction

Instructions

Use this form to elect to have your insurance premiums paid directly to your insurance provider and the cost deducted from your monthly benefit.

STEP 1: Member Information (Please Print)

Social Security Number		Date (MM/DD/YYYY)	
First Name	MI	Last Name	
Address			
City		State	Zip Code
Daytime Phone		Evening Phone	
Email Address			
Employer at time of Retirement		Job or Position Title	

STEP 2: Insurance Carrier Information

New Designation <input type="checkbox"/>		Change to Previously Designated Policy <input type="checkbox"/>		Stop Previously Designated Payments <input type="checkbox"/>	
Insurance Company Name			Group/Policy Number		
Address					
City			State	Zip Code	
Daytime Phone					
Insurance Type: <input type="checkbox"/> Medical <input type="checkbox"/> Dental <input type="checkbox"/> Vision <input type="checkbox"/> Long Term Care					
Premium Amount:					

As authorized agent for the employer that administers the above insurance plan, I certify that this individual is a covered participant in the _____ employer insurance plan.

X

Controller, Clerk-Treasurer or Trustee

Name of Employer

STEP 3: Member Acknowledgement

1. I hereby authorize PERF to deduct the monthly premium amount set forth above from my monthly pension benefit. I understand that this will result in a decrease in my monthly benefit payment.
2. I understand it is my responsibility, as the participant, to inform PERF of any change related to my health insurance premium deduction including, but not limited to, coverage, insurance company or premium changes. I freely accept this obligation to notify PERF.
3. I understand that PERF is not responsible for lapsed premiums or lapsed insurance policy coverage or any other coverage or benefit issues that may arise between my insurance carrier and myself.
4. I take full responsibility for the accuracy and truth of all the information I have provided and certify that I am entitled to these benefits.
5. I understand that I may not request additional tax-preferred treatment of the applicable exclusion amount (up to \$3,000 annually), from any other qualified retirement plans (i.e. Governmental defined benefit plans, 457 plans or 403 (b) plans).
6. I understand that PERF is complying with federal law by withholding insurance premiums from my pension benefits. In doing so, PERF is only performing an administrative function and is only responsible for payment of premiums, as required by law.

I have read and I understand the information in this form and its instructions (on page 3) and agree to all the conditions for this election, including the Waiver of Claims (on page 3).

Please
sign
here 

Member Signature

Date

About the Public Safety Officer Authorization for Insurance Premium Deduction

Important Legal Notice

This is a new benefit recently enacted by Congress, and the IRS has not provided guidance to date on the application of this program. PERF is proceeding with implementation of the program based on its understanding of the information currently available, with the anticipation that the program might require revisions and adjustments as the provisions of the Pension Protection Act are interpreted and clarified. By participating in the program, you acknowledge that changes may be required and that changes could affect your eligibility or the eligibility of your insurance carrier or policy. It may also result in reversal of some transactions. You agree that any benefit or privilege granted under this program is subject to change or revocation, that you will cooperate with any adjustments, and that PERF is not responsible for any consequence of any change to the program, including unexpected tax liability, interest and penalties.

Waiver of Claims

By signing this form, I agree that I will not make any legal claim of any kind against PERF, its staff and advisors should my participation in this program result in unexpected tax liability to me, including interest and penalties. I understand that my ability to participate in this program is a valuable benefit for which I am willing to agree to this waiver of all claims. I further release PERF, its staff and advisors from any liability arising from the administration of payments to any insurer.

Eligibility for Tax-free Distributions for Health and Long Term Care Instructions

- Public Safety Officer means an individual serving a public agency in an official capacity, with or without compensation, as a law enforcement officer, as a firefighter, as a chaplain for a police or fire department, or as a member of a rescue squad or ambulance crew.
- Eligible Retired Public Safety Officer (including police, corrections, probation, parole and judicial officers), means an individual who, by reason of disability or attainment of normal retirement age, is separated from service as a public safety officer with the employer who maintains the eligible retirement plan from which distributions are made.
- Normal retirement age for determination of eligibility means a member who has retired with an unreduced benefit.

Insurance Carrier Agreement Information

- You must submit a separate copy of form number ## (Retired Public Safety Officers Insurance Carrier Agreement) for each insurance policy you are designating for direct payment by PERF.
- The insurance premiums designated will be paid directly to the insurance company by PERF and the payment will be deducted from your monthly benefit.
- You can use income from more than one retirement plan to pay insurance premiums, but the maximum income exclusion the IRS allows for all plans combined is \$3,000 per year. You are responsible for complying with this federal limit and for the consequences if your designated insurance premiums exceed the limit.
- Premium payments will begin the first month after PERF receives a completed and signed form. Incomplete and unsigned forms will not be processed and you will be notified that you must resubmit the form.

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Retired Public Safety Officers Insurance Carrier Agreement

Instructions

Use this form to elect to enroll as an insurance carrier in the Retired Public Safety Officers' Insurance Payment Program for direct payment of insurance premiums as allowed under Section 845 of the Pension Protection Act of 2006.

STEP 1: Insurance Carrier Information (Please Print)

Legal Name of Insurance Carrier	Federal EIN#
Payment Mailing Address (Street or P.O. Box, City, State and Zip Code)	
Physical Location Address (Street or P.O. Box, City, State and Zip Code)	
Phone Number	Fax Number
Contact Name	Contact Email Address

STEP 2: Terms of Agreement between Insurance Carrier and PERF

1. This agreement is between PERF and the above named insurance carrier (Insurance Carrier).
2. Insurance Carrier agrees to participate in the Retired Public Safety Officers' Insurance Payment Program (the Program).
3. Under the Program, PERF members who are retired public safety officers may elect to have PERF deduct their medical, dental, vision and long term care insurance premiums from their retirement benefit and have their Insurance Carrier paid directly.
4. Insurance Carrier certifies that all premiums are qualified health insurance premiums under Section 845(a)(4)(D) of the Pension Protection Act.
5. Insurance Carrier will accept one payment for premiums of multiple retirees accompanied by an itemized report showing name, policy number and payment amount for each retiree.
6. PERF's only responsibility under the Program is to deduct and remit the premium payment as directed by the insured member in the member's authorization for insurance premium deduction.
7. Insurance Carrier agrees to promptly notify PERF of any changes in the applicable premiums, including but not limited to, termination of the policy, and agrees to promptly return any overpayments to PERF.
8. Either Insurance Carrier or PERF can terminate this agreement by written notice received no less than 45 days in advance of the termination date.

STEP 3: Certification of Insurance Carrier

I certify that I am an officer of the above named insurance carrier authorized to bind the company or corporation in this matter and hereby agree to abide by the terms of agreement stated above:

X

Signature

Name

Title

Date

Instructions for Retired Public Safety Officers Insurance Carrier Agreement

1. Complete Insurance Carrier Information. If payment mailing address is a P.O. Box, provide a street address in the Physical Location Address section for delivery of payments by courier or other package delivery service (for use when urgent delivery is necessary).
2. PERF will send a printed report of names, policy numbers, and payment amounts with payments sent by mail.
3. Read Terms of Agreement between Insurance Carrier and PERF and place a checkmark in the box for each item.
4. Complete Certification of Insurance Carrier (by an officer of the company or corporation).

Insurance Carrier Participation

- Section 845 of the Pension Protection Act allows public safety officers to elect to exclude up to \$3,000 of distributions from a governmental qualified retirement plan from taxable income as long as the payments are made directly to an insurer to purchase health or long-term care insurance for the officer or the officer's spouse and/or dependents.
- Retirement plans may elect whether or not to participate. PERF has elected to participate, but only with insurance carriers that have completed and filed the Retired Public Safety Officers Insurance Carrier Agreement. Requests from members for payment of premiums to insurance carriers who have not filed this form will be referred to the insurance carrier, who may contact PERF for the form. PERF may provide to members a list of insurance carriers that have filed the Retired Public Safety Officers Insurance Carrier Agreement.

About Section 845 of the Pension Protection Act of 2006

Effective for distributions made in taxable years beginning after December 31, 2006, Section 845 of the Pension Protection Act allows retired public safety officers to make an election to exclude up to \$3,000 of distributions from a governmental qualified retirement plan, 403(b) plan, or 457(b) plan from income each year as long as the distributions are paid directly to an insurer to purchase health or long-term care insurance for the officer or the officer's spouse and/or dependents for such year.

Retirement Plans may opt to participate or not. PERF has opted to participate, but only with employer-sponsored insurance carriers that have completed and filed this form with PERF. PERF may provide to members a list of insurance carriers that have filed this agreement.

Section 845(a)(4)(D) of the Pension Protection Act defines Qualified Health Insurance Premiums as "premiums for coverage for the eligible retired public safety officer, his spouse, and dependents, by an accident or health insurance plan or qualified long-term care insurance contract (as defined in section 7702B(b))."

Title 26 U.S.C. Section 7702B(b) states:

(1) In general

The term "qualified long-term care insurance contract" means any insurance contract if—

- (A) the only insurance protection provided under such contract is coverage of qualified long-term care services,
- (B) such contract does not pay or reimburse expenses incurred for services or items to the extent that such expenses are reimbursable under title XVIII of the Social Security Act or would be so reimbursable but for the application of a deductible or coinsurance amount,
- (C) such contract is guaranteed renewable,
- (D) such contract does not provide for a cash surrender value or other money that can be—
 - (i) paid, assigned, or pledged as collateral for a loan, or
 - (ii) borrowed, other than as provided in subparagraph (E) or paragraph (2)(C),
- (E) all refunds of premiums, and all policyholder dividends or similar amounts, under such contract are to be applied as a reduction in future premiums or to increase future benefits, and
- (F) such contract meets the requirements of subsection (g).

(2) Special rules

(A) Per diem, etc. payments permitted

A contract shall not fail to be described in subparagraph (A) or (B) of paragraph (1) by reason of payments being made on per diem or other periodic basis without regard to the expenses incurred during the period to which the payments relate.

(B) Special rules relating to medicare

- (i) Paragraph (1)(B) shall not apply to expenses which are reimbursable under title XVIII of the Social Security Act only as a secondary payor.
- (ii) No provision of law shall be construed or applied so as to prohibit the offering of a qualified long-term care insurance contract on the basis that the contract coordinates its benefits with those provided under such title.

(C) Refunds of premiums

Paragraph (1)(E) shall not apply to any refund on the death of the insured, or on a complete surrender or cancellation of the contract, which cannot exceed the aggregate premiums paid under the contract. Any refund on a complete surrender or cancellation of the contract shall be includible in gross income to the extent that any deduction or exclusion was allowable with respect to the premiums.



Frequently Asked Questions (FAQs) for Eligible Retired Public Safety Officers (This FAQ applies only to members of the 1977 Fund)

Q1: What does this benefit provide?

A: The HELPS Retirees provision of the Pension Protection Act (PPA) of 2006 allows eligible retired public safety officers to use up to \$3,000 per year from their qualified government retirement plan, on a pre-tax basis, to pay for health insurance or long-term care insurance premiums. In order for you to get the pre-tax benefit, the money must be paid directly from your pension fund to a health or long-term care insurance company.

Q2: Who is an eligible retired public safety officer for purposes of the exclusion?

A: Eligible retired public safety officers include those who have separated from service with their PERF-covered employer due to disability or after reaching normal retirement age. A public safety officer who retires before reaching normal retirement age is not an eligible retired public safety officer, unless the public safety officer retires by reason of disability. In addition, survivors are not eligible to make this election.

Q3: OK, I know that I'm an eligible retired public safety officer. What do I need to do to get this benefit?

A: Contact PERF at (888) 526-1687 and ask about the \$3,000 pre-tax benefit for purchasing health insurance or long-term care insurance under the 1977 Fund. The election form is available online at www.perf.in.gov. You must submit your election form to the 1977 Fund by Dec. 1 of each year.

Q4: What happens if both my spouse and I are eligible retired public safety officers?

A: Both you and your spouse would be eligible to use up to \$3,000 each on a pre-tax basis to purchase health insurance or long-term care insurance for a total family limit of \$6,000. But the premiums would have to be directly deducted for both you and your spouse.

Q5: Under what circumstances are the provisions of HELPS available for retired public safety officers?

A: The favorable tax treatment is available only when an eligible retired public safety officer chooses to have an amount subtracted from his or her distributions from an Eligible Government Plan and that amount is used to pay qualified health insurance premiums. The employer sponsoring the Eligible Government Plan is not required to offer such an election.

Q6: Can the accident or health plan receiving the payments of qualified health insurance premiums be a self-insured plan?

A: No. The accident or health plan must be an accident or health insurance plan. Thus, the plan must be providing insurance issued by an insurance company regulated by a State (including a managed care organization that is treated as issuing insurance). If the employer providing your group health or long term care insurance is self-insured, then you are not eligible to make this election. If you are uncertain if your plan is self-insured, ask the employer who provides the plan.

Q7: Are eligible retired public safety officers limited in the amount they can exclude from gross income under the HELPS Retirees provision of the PPA?

A: Yes. The aggregate amount that is permitted to be excluded, for any taxable year, from an eligible retired public safety officer's gross income is limited to \$3,000. For purposes of applying this \$3,000

limitation, distributions with respect to an eligible retired public safety officer that are used to pay for qualified health insurance premiums from all Eligible Government Plans are cumulative.

Q8: Are amounts used to pay qualified health insurance premiums that are excluded from gross income taken into account for purposes of determining the itemized deduction for medical care expenses?

A: No. Amounts used to pay qualified health insurance premiums that are excluded from gross income under 402(I) are not taken into account in determining the itemized deduction for medical care expenses.

Q9: What if the IRS does not agree with my income tax exclusion?

PERF is released from any unexpected tax liability for the fund member as a result of them making this election.